

## Allowing use of state bond fund for losses of lottery sales agents

HB 1241 by Homer (Janek)

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DIGEST:	HB 1241 would have allowed the state's pooled bond reserve fund, currently used to protect the state from losses due to defaults, bankruptcies, or other uncollectable debts by lottery ticket sales agents, to be used to cover losses of a sales agent due to bankruptcy, theft, or loss of lottery tickets, supplies, or equipment.
GOVERNOR'S REASON FOR VETO:	"House Bill No. 1241 would require the Texas Lottery Commission to use state funds to protect individual lottery retailers from financial liability for bankruptcy, theft, or the loss of lottery equipment and merchandise. Under current law, the Lottery Commission can use these funds to protect the state's interest. However, House Bill No. 1241 shifts responsibility and would require the state to cover losses of a private entity. Participation in the Texas lottery system is voluntary, and retailers must accept responsibility for protecting and managing the equipment."
RESPONSE:	<p>Rep. Mark Homer, author of HB 1241, said: "I respectfully disagree with Gov. Perry. Currently, monies in the fund are derived from a fee on retailers and are used to protect the state from loss due to bankruptcy or fraud. The intent of HB 1241 was to add coverage for theft or loss of lottery equipment and merchandise so that a retailer would not have to pay twice in such instances, as is currently lottery policy. No money would have gone to the retailers."</p> <p>Sen. Kyle Janek, the Senate sponsor, said he agreed with Rep. Homer's response.</p>
NOTES:	HB 1241 passed the House on the Local, Consent, and Resolutions Calendar and was not analyzed in a <i>Daily Floor Report</i> .